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POVERTY IN SOUTH ASIA

The sheer scale of human deprivation in South Asia is underpinned by the absolute number of people afflicted by poverty. Accounting for nearly half of the total world population living in poverty, over 500 million in the region suffer from severe deprivation, with little or no access to adequate nutrition, health, housing, water, sanitation, education and employment. In this episode of **World Chronicle**, Assistant-Secretary-General Nay Htun, Assistant Administrator and Regional Director for Asia and the Pacific in the United Nations Development Programme, discusses socio-economic issues in Southern Asia, in the light of the recently published Human Development in South Asia Report.

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ANNOUNCER: From United Nations Headquarters in New York, this is **World Chronicle**, an unedited interview programme about major global issues.

Here now to introduce our guest is the host of today's **World Chronicle**.

LITTLEJOHNS: I'm Michael Littlejohns, and this is **World Chronicle**.

South Asia remains a region divided -- divided between the hopes of the rich and the despair of the poor. It's a region where the richest one-fifth earns almost 40 percent of the income, and the poorest one-fifth make do with less than 10 percent. Women in South Asia are often denied basic human rights and minorities continue their struggle against prejudice and discrimination.

Our guest today is an expert on development in Asia. He is Assistant-Secretary-General Nay Htun, Assistant Administrator and Regional Director for Asia and the Pacific in UNDP, United Nations Development Programme. There's a new report on human development in South Asia. This report is funded by UNDP. Joining me to talk with Mr. Htun are Ted Morello of *Far Eastern Economic Review* and Tuyet Nguyen of the *German Press Agency/DPA*.

Mr. Htun, welcome to **World Chronicle**.

HTUN: Thank you.

LITTLEJOHNS: Mr. Htun, this report all 200 pages of it, is pretty depressing reading. One sees that South Asia has emerged as one of the most poorly governed regions in the world and poverty in South Asia is apparently worst than it is in Africa, and God knows that's bad enough. How come South Asia is in such a mess?

HTUN: First of all thank you very much for welcoming me to this programme. I just like to make one slight remark. This report is an independent report published by the Mahbub ul Haq Human Development Centre in Pakistan and UNDP is one of the funder of this report. With regards to the state of South ASia, of course we all know that with the large number of people in South Asia, there clearly has a major demand on natural resources -- land, water, etc. -- which is so important for economic development. So with more people, the demand for resources, the demand for land increases very, very significantly with the ability to meet these needs.

LITTLEJOHNS: But in this question of poor governance, why -- I mean you got a leech in these countries -- why are there such poor governance?

HTUN: There's a whole host of reasons to this. First of all, when we talk about

governance, we've got to look at a number of other factors as well. It is the number of, for example, women in different sectors of society, in business and industry, in education, in the regional central governments, the percentages are extremely low although in India, for example, a determined effort has been made to ensure that, let's say, one-third of the national legislators at the Panchayat will be allocated to women.

LITTLEJOHNS: So are you suggesting that if there are more women in government, things would be better?

HTUN: Well, I think this will certainly help when we're talking about inequality, disparity, and greater participation of the people in a country in the development effort, then clearly the greater participation of women and indeed all the different sectors of society must help to enrich the development effort of a country.

MORELLO: The idea of perhaps of the good old days having been better than the present days struck me in the wording of some of the reports in ... for example, they say that they regretted that -- the region should go back to humanitarian situation, which are pretty much better sometime in the past and also that there is a link between government and the governed. That must be reestablished. This indicates that this situation existed in a better level than they do now. Is that the case or it's just bad commentary on the situation.

HTUN: I think what the writers of this Report tends to say is that if there is more decentralization and more involvement of the people – those governing and those governed -- and particularly in deciding what are the priorities of development needs, what are the development options which are most suitable to a particular village or a particular district rather than being decided from a central location, that if that type of system were to be in place, then the development effort and the benefit of development will probably be more efficient, more effective and more relevant to the people in which that development activity was intended.

MORELLO: But not necessarily that this situation existed in the past – this desirable situation?

HTUN: Exactly. And also I don't think there was enough strong evidence like we have now, that in those type of situation in the past that by the measurements that we are using today, they were better off than today ....

NGUYEN: Mr. Htun, India and Pakistan are now struggling to have superiority in nuclear arms in South Asia. I wonder how UN is doing in the case where governments give

priority to defence budget than to humanitarian assistance to their own people?

HTUN: Well, as Mr. Littlejohns was introducing my Organization – UNDP – for development, we are constantly and will continue to point out to governments in South Asia or in other parts of Asia, the importance of all the different development needs and priorities of a particular country in terms of water, sanitation, basic education, food, food security, etc., and these are also extremely important priorities for a particular country and of course, we try to engage the governments to understand that these are also extremely important priorities for a country as well.

NGUYEN: But you know South Asia now has 500 million people belonging to that category of poor people in the world and yet the government is giving more money to weapons – you know to defence. What is the UN's role in this case to really switch the government priorities from defence into development.

HTUN: First of all, these are sovereign governments and it is the prerogative of the governments to decide what their priorities are. With that being said, in this particular Report and in the other Human Development Reports, which we have been putting out for the last ten years, it has been pointed out the significant amount of money which has been spent on arms and armaments and then at the same time pointing out what are the very important needs and sometimes indeed basic needs of the people are. So we continuously point this out, where these needs are.

NGUYEN: Do you expect the number of poor people to increase in the future?

HTUN: I think what is important is that there is still no universally accepted measurement of what poverty is and this is really one of our challenges. Different countries uses different measurements of what poverty is. A most common indicator – and you referred to 550 million people for the poverty line – this for example is derived by using the income measurement of less than a dollar a day. Some other countries uses nutrition, for example. So there are different indicators which have been used and depending on what indicators or group of indicators one uses, that then the number of percentage of people in a particular country which is below that poverty line can shift.

LITTLEJOHNS: Mr. Htun, isn't it a little strange that the United Nations is spending a great deal of money in South Asia when countries in the region are using a lot of cash including, presumably money coming from the United Nations in one way or another, to increase their military arsenals? I mean that's a rather anomalous situation. How do you

reconcile that?

HTUN: First of all, the amount of technical assistance, translate into money that is provided by the United Nations and by UNDP in South Asia, is extremely minimal. It's a fraction of a percent of what the overall development budget a country is spending. So it's extremely minimal even when compared with the other multilateral financing institutions.

LITTLEJOHNS: So UN cash cannot be diverted in these countries for military purposes?

HTUN: Not at all. Absolutely not at all. Very clearly defined. The objective is very clearly defined programmes and projects and they are all targeted towards human development, poverty alleviation, mainstream agenda, protecting the environment, including better governance.

MORELLO: But the funds from sources other than the UN can be diverted, is that correct? That is to say that government to government assistance is being diverted presumably because the report singles out corruption as one of the principal drawbacks to any advancement for South Asia development. India and Pakistan, for example, are top of the list worldwide in corruption. S o the question becomes also one of law and order. What is the impact of law and order as far as development is concerned? Pakistan for example at the moment is an example of that. Even United States which was perforce to be strong on human rights, and so forth, is essentially backing Pakistan's military regime. What is the role that law and order plays? Is it necessary to have a regime – the strong man in the horseback -- in order to have a stable government?

HTUN: Well, when you say law and order I would phrase it a little bit different – this quote, unquote, the rule of law. So it's very clearly known where there is a financial, economic or other systems that the rule of the law is that if anyone goes beyond this, then you are transcending the rule of law and the necessary actions could then be taken. In the case of UNDP, we are working with many countries at the request of these countries to improve quote, unquote, for example, their governance and systems for their financial institutions – better reporting procedures, more accountability, more transparency in the reporting of financial transactions. All these type of mechanisms, all these type of means have been implemented in many, many countries in order to improve and so quite rightly said, the application of the rule of law.

MORELLO: But then the corruption has been combatted successfully in other

countries, in other regions particularly in Singapore and HongKong where it was rampant a few decades ago and by strong measures, certainly in Singapore apparently, if not disappeared, it has been trimmed down. Why hasn't this happened in South Asia.

LITTLEJOHNS: Mr. Htun, before you respond to that – This is **World Chronicle**. Our guest is Assistant-Secretary-General Nay Htun, Assistant Administrator and Regional Director for Asia and the Pacific in UNDP.

HTUN: About a year ago, we gathered a very large number of participants from the Asia Pacific region from the public sector, private sector, academic institutions and the participants included participants from Singapore and Hong Kong who were very, very much involved in anti-corruption measures in their country. I have a copy of that report here with me. The general conclusion was that there is no single panacea that can stop or drastically reduce corruption. It's a whole range of measures that are needed – education, training, better salary for public service personnel, the role of the media, etc. It's a whole range of measures which needs to be undertaken and it takes time, you know, for these measures to have an impact.

MORELLO: Is that because there is also a large range of corruption itself that is to say, from the very top in government to the man on the street?

HTUN: Well I think history showed us that no matter what part of the world there are many, many ways in which integrity or corruption of a system can be undertaken. So there is no fixed list of the things which can be corrupted. It's an ever-expanding list.

LITTLEJOHNS: The poor probably don't have much chance of being corrupted or corrupting, do they? I mean, most of the corruption is at the top levels.

HTUN: Well, even at the very poor there are, but clearly the scale is much less. It's in different forms.

NGUYEN: Mr. Htun, the UN is also involved in major projects in the Tumen River, for example, and also in the Mekong Delta in Southeast Asia. Can you talk a little bit about the Tumen River and what kind of progress have you made so far in economic development in that area?

HTUN: Certainly. The Tumen River is at the very, very northeast part of Asia. It is a region where Russia, China and the Democratic Republic of Korea – North Korea – meet. As a matter of fact, the three countries meet at that border. So it's a very important and unique area and about seven-eight years ago, UNDP helped facilitate and fostered a

Tumen River Basin Development Programme and this is now translated into an inter-governmental body. But one very important feature of this programme is that first of all, it promotes good sustainable development policies and practices because of the three agreements that were signed and at the government level. One of them was on the environment – how to protect the environment and even in that agreement there was a clause there of public participation and public information. So clearly this helps to improve governance. The other is to foster good and better economic cooperation between and amongst the countries and I believe until very recently, that was the only fora in which both North and South Korea sat down at the same table, exchanged views of what the development needs are and agreed on joint cooperative programme together with China, Mongolia and Russia.

NGUYEN: Has it helped North Korea at all to overcome the lack of food and other demands?

HTUN: The programme is not so much directed at food and food security, since UNDP and the other UN programmes, particularly the World Food Programme, have specific programmes to meet the food security needs. The Tumen Programme is primarily to foster greater cooperation on trade and investment between and amongst the riparian countries.

NGUYEN: What about the Mekong River? Have you actually done anything to use the might of the river transformed to electricity?

HTUN: Well, the Mekong River is one of the world's largest river. I think it's the thirteenth or the fourteenth largest river and since 1957, before lower riparian countries have wanted to have a legal agreement for the sharing and use of this very important river immediately after the Paris Peace Accord in 1992, the four countries requested UNDP to help facilitate negotiations and after two years a very historical agreement was signed by the governments and ratified by the parliaments. The most important clauses in this agreement was, for the first time, that there was an agreement of how to share fresh water during the wet and dry season. Secondly, that this water will be used and shared in a sustainable and environmentally sound manner. And thirdly, is that if any country were to think of having major water engineering projects like diversion of rivers, they will inform the other countries that could be affected of the mechanisms to be used. So these are now in place and clearly everyone is optimistic that with this agreement, there will be better sharing and use of

Mekong.

LITTLEJOHNS: Mr. Htun, I am a bit intrigued by this sentence in your report: "The crushing burden of taxation on the poor is not only enormous, it's also increasing." How can the poor be under this enormous tax burden when they don't have any money to pay taxes? I mean, what goes on here?

HTUN: Well, of course poor people do not pay taxes. What this report alludes to is that some of the other very basic needs of the poor in terms of food, in terms of water, in terms of energy or in some cases, in terms of education, educational material, and there if the taxes were to be increased, for example, then clearly the burden on the poor could be ...

LITTLEJOHNS: The basic needs are taxed in these countries?

HTUN: No, no. What I mean is that if there are these taxes on the resources resource basis that the poor depends on for support, this is not only directed on the poor but at the population at large but because of the low income level of the poor, they bear a heavier burden. If you only earn $1, a ten cents increase in anything is a tremendous burden. If you earn a thousand dollars, a ten cents increase is not that much.

LITTLEJOHNS: So it's only indirect taxation.

HTUN: Yes.

MORELLO: One of the burdens that the poor had to carry and it apparently stems from the dynastic situation of the administrations in some of the countries – in India for example, the Nehru family, in Sri Lanka the Bandaranaike family and, until recently, in Pakistan the Bhutto family which seems to have gone by the board for the time being – how do you break that chain. Some of these have been going on since the independence for these countries? How do you attack that?

HTUN: Sir, this is a question I cannot answer. This is a question in which the people, the electorate of those countries will have to answer themselves.

MORELLO: You mean, you are suggesting that the people deserves a government it gets and this is what the people are asking for?

LITTLEJOHNS: But the Report also says in many South Asian states "democracy is fast turning into an empty ritual". So is this just the common denominator throughout the region that the democracy is going down the tubes?

HTUN: No, I would not share that opinion because this is an independent report and clearly these are the views of the authors and I think that's fine. It's their

prerogative. If we were to look at the recent election in India, which is by far the largest turnout, the largest number of people voting in any particular country, I think it clearly shows that people's participation, democracy, and the use of the individual vote is very alive and thriving in India.

LITTLEJOHNS: So you are contradicting that conclusion?

HTUN: I would not agree with that sweeping statement.

NGUYEN: But the governments there do agree that they have big problems with poverty.

HTUN: Oh yes, yes. All the countries have recognized these. Yes.

LITTLEJOHNS: Mr. Htun, at the outset, you seem to be dissociating yourself, I mean, dissociating UNDP from this document which is published for the Mahbub ul Haq Human Development Centre and Mahbub ul Haq, of course, was the originator of the UN Development Reports. Is this Report likely to cause some embarrassment to UNDP – I mean if there are things that he put that you – your Agency – strongly disagree with?

HTUN: Well, as we have said consistently with this South Asia Human Development Report and the other UNDP – the Human Development Report – that there is editorial independence so that the different views, differing views, can be brought on.to the table for discussions and this is why we supported it. At the same time, we want to make sure that UNDP is an intergovernmental organization and our policies and actions are very, very much governed by the governments that sits on our executive board.

LITTLEJOHNS: So is this going to cost you any embarrasment, you think?

HTUN: I think some parts of the Report will probably be disagreed by countries and individuals in the countries and our sponsors will be that, well, this is something which is written on the book, let's discuss and examine it further.

LITTLEJOHNS: Mr. Htun, that's all the time we have. Thank you for joining us on this edition of **World Chronicle.**

Our guest has been Assistant-Secretary-General Nay Htun, Assistant Administrator and Regional Director for Asia and the Pacific in UNDP. He was interviewed by Ted Morello of the Far Eastern Economic Review and Tuyet Nguyen of the German Press Agency/DPA.

I'm Michael Littlejohns. Thank you for being with us. We invite you to be with us for the next edition of **World Chronicle.**

ANNOUNCER: Transcripts of the program may be obtained free of charge by

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